



WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM	<u>KS</u>
Finance	<u>DW</u>
DA	<u>✓</u>
Risk Mgt.	<u>N/A</u>
Comptroller	<u>CH</u>
Clerk	<u>CS</u>

STAFF REPORT BOARD MEETING DATE: February 23, 2016

DATE: February 4, 2016

TO: Board of County Commissioners

FROM: Bob Webb, Planning Manager, Planning and Development Division
Community Services Department, 328-3623, bwebb@washoecounty.us

THROUGH: William H. Whitney, Division Director, Planning and Development
Community Services Department, 328-3617, bwhitney@washoecounty.us

SUBJECT: Possible action to approve a State of Nevada Importer/Wholesaler Liquor License for Scott Blazek, dba Breakthru Beverage Nevada Reno, LLC, and if approved, authorize each Commissioner to sign the *Nevada State Liquor License Application* with direction for the County Clerk to attest the license application. (Commission District 4.)

SUMMARY

Review and approve the application for a State of Nevada Importer/Wholesaler Liquor License submitted by Scott Blazek, dba Breakthru Beverage Nevada Reno, LLC.

Pursuant to NRS 369.180, 369.190, and 369.200 and Washoe County Code (WCC) Sections 30.3331 to 30.3337, inclusive, the Washoe County Board of County Commissioners shall approve or disapprove applications to engage in business as an importer and wholesaler of intoxicating liquors in unincorporated Washoe County.

Washoe County Strategic Objective supported by this item: Proactive Economic Development and Diversification.

PREVIOUS BOARD ACTION

No previous action.

BACKGROUND

Scott Blazek, dba Breakthru Beverage Nevada Reno, LLC, applied for a State of Nevada Importer/Wholesaler Liquor License (see Attachment A) on November 24, 2015. Mr. Blazek is the Senior Vice-President of Breakthru Beverage Nevada Reno, LLC which is purchasing Wirtz Beverage Nevada Reno, LLC. Wirtz Beverage currently holds both a Washoe County general business license and a Washoe County Importer/Wholesaler Intoxicating Liquor license at 100 Distribution Drive in Spanish Springs. Wirtz Beverage purchased Silver State Liquor & Wine, Inc. in late April of 2009. County business

AGENDA ITEM # 8.D.2.

license staff changed the general business license and Importer/Wholesaler Intoxicating Liquor license to Wirtz Beverage at that time.

Silver State moved to the 100 Distribution Drive location in late May of 2006 from their previous business location at 325 Nugget Avenue in Sparks. That move required Silver State to obtain a Washoe County general business license for their new business location since that location was now within the unincorporated County. Silver State already held a Washoe County Importer/Wholesaler Intoxicating Liquor license from July of 1987 since the company was importing liquors into the unincorporated County.

The State of Nevada requires Breakthru Beverage Nevada Reno, LLC to obtain a new State of Nevada Importer/Wholesaler Liquor License with the corporation change from Wirtz Beverage Nevada Reno, LLC to Breakthru Beverage Nevada Reno, LLC. Likewise, Washoe County also requires that Breakthru Beverage obtain a new Washoe County general business license and a Washoe County Importer/Wholesaler Intoxicating Liquor license for the corporation change. Breakthru Beverage applied for both County licenses on November 24, 2015. The County's license application file is available for the Board's review if needed. Business license staff will not issue the general business license nor the Importer/Wholesaler Intoxicating Liquor license to Breakthru Beverage until after the Board approves the State liquor license application.

The Nevada Department of Taxation requires that any business location for an importer/wholesaler of liquor be adequate to store intoxicating liquors in addition to providing space for a business office. Since Wirtz Beverage Nevada Reno, LLC has been operating its importer/wholesaler of liquor business operations from the 100 Distribution Drive location since 2009 (and Silver State Liquor & Wine, Inc. from that location since 2006), the proposed location is suitable to house an importer/wholesaler of liquor business.

The County Importer/Wholesaler Intoxicating Liquor license requires a criminal history inquiry pursuant to WCC Section 30.3333(4), which was submitted to the Washoe County Sheriff's Office on December 29, 2015. The delay between the application submission date and the date the fingerprints were provided to the Sheriff's Office was the result of several conversations between business license staff and representatives of Breakthru Beverage to determine which person or people required the criminal history inquiry. Based on County Code, a criminal history inquiry is required on the principal officer of the company responsible for business operations from the 100 Distribution Drive location, which is Mr. Scott Blazek (Senior Vice-President). The Sheriff's Office returned the criminal history investigation results on January 29, 2016. There is no disqualifying information on Mr. Blazek of which the County is aware. Consequently, staff has determined that the applicant is suitable to hold the liquor license under the provisions of WCC Section 30.160.

NRS 369.190(3) and WCC Section 30.160(1)(b)(1) specify that the Board "require satisfactory evidence that the applicant is a person of good moral character" when reviewing and approving a State of Nevada Importer/Wholesale liquor license application. Mr. Blazek completed the required *Liquor License Personal History* form

and replied in the negative to any criminal convictions in the past 10 years or to any revocations of either a liquor license or work permit. Additionally, the criminal history background inquiry results stated that he has no adult criminal history with the Washoe County Sheriff's Office. Mr. Blazek also completed the required *Child Support Compliance Statement/Exemption Form* pursuant to the provisions of the State Welfare Reform Act and stated that he is not subject to a court order for the support of a child.

Based on the information provided on the criminal history inquiry and on these two forms, staff has determined that the applicant is of "good moral character" and is suitable to hold the State of Nevada Importer/Wholesaler liquor license under the provisions of State Law and County Code. Copies of criminal history inquiry results and both sets of forms contain personal information, so are not included in this staff report but are available to the Board upon request.

FISCAL IMPACT

The applicant paid the required \$75 Washoe County general business license application and first year's license fee (deposited in Washoe County license revenues account number C105402-421101) and the required \$300 Washoe County Importer/Wholesaler Intoxicating Liquor first quarterly license fee (deposited in Washoe County liquor license revenues account number C105402-421200). The liquor license fee also provides for the Board review of the State liquor license application.

As noted earlier, Wirtz Beverage Nevada Reno, LLC currently holds both a Washoe County general business license and a Washoe County Importer/Wholesaler Intoxicating Liquor license. Breakthru Beverage Nevada Reno, LLC is purchasing Wirtz Beverage and the revenue from both the general business license and the liquor license is anticipated to continue. Future annual general business license revenue depends upon reported annual gross receipts and ranges from \$55 to \$655. Future annual liquor license revenue totals \$1,200.

RECOMMENDATION

It is recommended that the Board approve a State of Nevada Importer/Wholesaler Liquor License for Scott Blazek, dba Breakthru Beverage Nevada Reno, LLC, and if approved, authorize each Commissioner to sign the *Nevada State Liquor License Application* with direction for the County Clerk to attest the license application.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

"Move to approve a State of Nevada Importer/Wholesaler Liquor License for Scott Blazek, dba Breakthru Beverage Nevada Reno, LLC, and to authorize each Commissioner to sign the *Nevada State Liquor License Application* with direction for the County Clerk to attest the license application."

Attachments: A. Nevada State Liquor License Application for Importer/Wholesaler
Liquor License

xc: Scott Blazek, dba Breakthru Beverage Nevada Reno, LLC, 1405 Saintsbury
Drive, Las Vegas, NV 89144 (scott.blazek@wirtzbev.com)
Jesse A. Wadhams, Fennemore Craig, P.C., 300 E. Second St. 15th Floor, Reno,
NV 89501 (jawadham@fclaw.com)
Nancy Ravert, Nevada Department of Taxation, 1550 E. College Parkway, Carson
City, NV 89706 (nravert@tax.state.nv.us)
Michael Chaump, Business Relations Manager, Reno Business License Division,
City of Reno, PO Box 1900, Reno, NV 89505 (chaupm@reno.gov)



NEVADA STATE LIQUOR LICENSE APPLICATION

The Board of County Commissioners or Incorporated Cities Governing Body Members must forward the approved and signed Form LTD 06 application to the Nevada Department of Taxation (NRS 369.200)

1	Application is for: <input checked="" type="checkbox"/> Importer/Wholesaler Liquor License <input type="checkbox"/> Manufacturer Liquor License	
2	Importer/Wholesaler Specific License Type (Check all that apply): <input checked="" type="checkbox"/> Importer and Wholesaler of Wine, Beer and Spirits <input type="checkbox"/> Importer and Wholesaler of Beer <input type="checkbox"/> Wholesaler of Wine, Beer and Spirits <input type="checkbox"/> Wholesaler of Beer	
3	Manufacturer Specific License Type (Check all that apply): <input type="checkbox"/> Brew Pub <input type="checkbox"/> Brewer <input type="checkbox"/> Craft Distillery <input type="checkbox"/> Instructional Wine Facility <input type="checkbox"/> Rectifier <input type="checkbox"/> Winemaker	
4	Application is being submitted for: <input checked="" type="checkbox"/> New Business <input type="checkbox"/> Location Change <input type="checkbox"/> Additional Location (Per NRS 369.220 (3) the Nevada State Liquor License is nontransferable)	
5	List the anticipated start date of business operations in Nevada: 1-1-2016	
6	Name of Business: Breakthru Beverage Nevada Reno, LLC	Phone No: 775-331-3400
7	DBA, if any:	Fax No: 775-353-3369
8	Location of Operation: 100 Distribution Dr., Sparks, NV	Zip Code: 89441
9	Business Address: 100 Distribution Dr., Sparks, NV	Zip Code: 89441
10	Mailing Address: 100 Distribution Dr., Sparks, NV	Zip Code: 89441
11	Email Address: scott.blazek@wirtzbev.com	12 Federal Tax ID: 38-3983070
13	Business Type: <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other:	
14	List All Owners, Officers, Members, Partners, etc. Attach Additional Sheets if Needed.	
	Name: Scott Blazek	Title: Senior VP
	Residence Address: 1405 Saintsbury Dr Las Vegas NV 89144	% Owned: 0
	Name: Breakthru Wirtz, LLC	Title: Owner
	Residence Address: 60 East 42nd Street, New York, NY 10165	% Owned: 100%
	Name: See Attached	Title:
	Residence Address:	% Owned:
	Name:	Title:
	Residence Address:	% Owned:
15	Date Incorporated/Organized: 10-22-2015	State where Incorporated/Organized: DE
16	If Partnership, is the Agreement recorded? <input type="checkbox"/> Yes <input type="checkbox"/> No	In what county and city is it recorded in? N/A

17	Operating Under a Fictitious Firm Name? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Supply a certified copy of the certificate to Taxation)*	In what county and city is it recorded in? N/A
18	Has applicant applied for a local County or City License? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If so, where? See Attached
19	Has applicant secured all necessary Federal permits? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Applications for Federal Permits are pending
	Permit number issued by the Federal Alcohol and Tobacco Tax and Trade Bureau (TTB): (Supply a copy of Federal Basic permit to Taxation)*	See attached letter
20	Has any individual(s)/officer(s) who are interested, financially or otherwise, in the applicants business, ever been convicted of a violation of Federal or any state liquor laws? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If so, furnish (attach list if additional space if required):	
	Name:	When:
	Address where convicted:	
	Name:	When:
	Address where convicted:	
21	Is any person listed on this application engaged in the business of importing, wholesaling or retailing alcoholic beverages? (See NRS 597.210) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	If so, what percent, name and location of business:	
	Name: SEE ATTACHED	Location of business: SEE ATTACHED
22	Provide business references:	
	Name: Kern Egan	Address: 6722 Lake Circle Dr., Dallas, TX 75214
	Name: John Doolan	Address: 101 Somerset Ave., Fairfield, CT 06824
	Name: Steven Brecher	Address: 1133 Park Avenue, Apt. 9E, New York, NY 10128
23	APPLICANT'S AFFIRMATION: I declare under penalty of perjury that the information provided is true, correct and complete to the best of my knowledge and belief and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing.	
	Signature Responsible Party:	
	Name: Scott Blazek	
	Title: Senior Vice President	24 Date: November , 2015
APPLICATION SUBMITTAL LOCATIONS		
If the location of business operations is in one of the following cities, Boulder City, Caliente, Carlin, Carson City, Elko, Ely, Fallon, Fernley, Henderson, Las Vegas, Lovelock, Mesquite, North Las Vegas, Reno, Sparks, Wells, West Wendover, Winnemucca or Yerington, then Submit page 1, 2 and 3 to that Incorporated Cities Governing Board for review.		
All other locations, submit page 1, 2 and 4 to the Board of County Commissioners for review.		

COUNTY COMMISSIONERS APPROVAL PAGE

For all Non-Incorporated Cities

OFFICIAL USE ONLY

Remarks and recommendations by the County Commissioners:

Board of County Commissioners:

Chairman: _____

Member: _____

Member: _____

Member: _____

Member: _____

[seal]

ATTEST:

_____, County Clerk

On this _____ day of _____, 20____, the application for a Nevada State Liquor

License for _____ has been Approved Denied

NEVADA STATE LIQUOR LICENSE APPLICATION INSTRUCTIONS

INSTRUCTIONS FOR COMPLETING THE NEVADA STATE LIQUOR LICENSE APPLICATION

1. **Application is for:** Check the type of license you are applying for.
2. **Importer/Wholesaler Specific License Type:** Check the box(es) that apply.
3. **Manufacturer Specific License Type:** Check the box(es) that apply.
4. **Application is being submitted for:** Check if you are applying for a new business, if the licensed location has changed or for adding a new location. Please note: The Nevada State Liquor License is nontransferable.
5. **List the anticipated start date of business operations in Nevada:** Enter the date that you are planning to start your business in Nevada. Please note: Business operation may not begin until they have received a state of Nevada Liquor License as issued by the Department of Taxation.
6. **Name of Business:** Enter the name as registered on the State Business License. Include a business telephone and fax number.
7. **DBA –** Enter the name as it will be known to the public. The name you will be doing business as.
8. **Location of Operation:** Enter the address that is registered and listed on your Federal Basic Permit issued by the TTB (Alcohol and Tobacco Tax and Trade Bureau).
9. **Business Address:** Enter in the complete address of the corporation.
10. **Mailing Address:** This address will be used to mail license, reports, tax returns and correspondence.
11. **Email Address:** Enter email (Internet) address information.
12. **Federal Tax ID:** Enter your Federal Tax Identification Number. For information regarding a FEIN, contact the Internal Revenue Service at 1-800-829-4933 or go to <http://IRS.gov/businesses>. If you have applied for your number and have not received it, write "PENDING". If your FEIN changes, you must complete a new Certificate of Compliance Application.
13. **Business Type:** Indicate entity type as filed with the Secretary of State.
14. **List All Owners, Officers, Members, Partners, etc.:** Include the full name, address, title and percentage of ownership of each owner, officer, member, partner, etc. for the business.
15. **Date Incorporated/Organized:** List the date the corporation was incorporated with the state or the date the Limited Liability Company (LLC) was organized.
16. **If Partnership, is the Agreement Recorded:** If your business is a partnership please select if the partnership agreement has been recorded and where it was recorded.
17. **Operating under a Fictitious Firm Name:** Select if the business is operating under a fictitious firm name and where it was recorded. A copy of the fictitious firm name certificate must be supplied to the Department of Taxation, per NRS 602.010.
18. **Has applicant applied for a local County or City License:** Select if the business has applied for a local county or city liquor license and also indicate where it was applied for.
19. **Has applicant secured all necessary Federal permits:** Select if all Federal permits are in place and provide the permit number issued by the Federal Alcohol and Tobacco Tax and Trade Bureau (TTB). A copy of the Federal Basic Permit must be supplied to the Department of Taxation.

20. Has any individual(s)/officers who are interested, financially or otherwise, in the applicants business, ever been convicted of a violation of Federal or any state liquor laws? Select if anyone with interest in the business meets this description and if so supply the name, address of conviction and when they were convicted.
21. Is any person listed on this application engaged in the business of importing, wholesaling or retailing alcoholic beverages? (See NRS 597.210) Select if any person on this application meets this situation and provide name and location of business affiliated.
22. Provide Business References: List the name and address of three (3) business references.
23. Signature of Responsible Party: Legal signatures include sole proprietor- owner, corporate officer, managing member and partner.
24. Date – Date the document was signed by responsible party.

APPLICATION SUBMITTAL PROCESS

If the location of business operations is in one of the following cities, Boulder City, Caliente, Carlin, Carson City, Elko, Ely, Fallon, Fernley, Henderson, Las Vegas, Lovelock, Mesquite, North Las Vegas, Reno, Sparks, Wells, West Wendover, Winnemucca or Yerington, then Submit page 1, 2 and 3 to that Incorporated Cities Governing Board for review.

All other locations, submit page 1, 2 and 4 to the Board of County Commissioners for review.

All applicants must also submit a copy of the application to the Department of Taxation along with security deposit (Original Liquor Surety Bond or cash), a copy of the Federal Basic Permit issued by the Federal Alcohol and Tobacco Tax and Trade Bureau (TTB) and a copy of the fictitious firm name certificate. Once application has been approved the fees can be submitted to the Department of Taxation.

SCHEDULE OF LICENSE FEES			
Importer/Wholesaler Fees:		Manufacturer Fees:	
Importer of wine, beer & spirits	\$500.00	Brew Pub	\$ 75.00
Importer of beer	\$150.00	Brewer	\$ 75.00
Wholesaler of wine, beer & spirits	\$250.00	Craft Distillery	\$ 75.00
Wholesaler of beer	\$ 75.00	Instructional Wine Making	\$ 75.00
		Winemaker	\$ 75.00
		Rectifier	\$550.00
SCHEDULE OF BOND REQUIRMENTS			
Importer and/or Wholesaler Bond:		Manufacturer Bond:	
Beer only	\$10,000.00	Brew Pub	\$ 1,000.00
Wine, Beer & Spirits	\$50,000.00	Brewer	\$ 1,000.00
		Winemaker	\$ 1,000.00
		Rectifier	\$50,000.00

1. All license fees are due and payable on July 1 of each year. If not paid by July 15 of each year the license shall be canceled.
2. If any license is issued at any time during the year other than by July 15, the fee shall be for that proportionate part of the year that the licenser will be in effect, which in any event shall be for not less than one quarter of a year.